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Report of the Advisory Committee on Administrative and Budgetary Questions

Addendum

Sixth report: construction of additional conference facilities at Addis Ababa and Bangkok

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on construction of additional conference facilities at Addis Ababa and Bangkok (A/53/347). That annual report is submitted in accordance with General Assembly resolution 39/236 of 18 December 1984, by which the General Assembly approved the construction of additional conference facilities at the Economic Commission for Africa (ECA) in Addis Ababa and a construction project for the expansion of the conference facilities at the Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok. The report focuses on the progress made in the project in Addis Ababa since the last report submitted to the General Assembly (A/52/579). On the assumption that the General Assembly approves the report submitted to it at its fifty-second session with respect to the conference facilities in Bangkok (A/52/579), no further reports will be submitted on that construction project. During its consideration of the report, the Committee met with representatives of the Secretary-General.

2. As indicated in paragraphs 3 and 20 of the report of the Secretary-General (A/53/347), construction of the new conference facilities in Addis Ababa was approved by the General Assembly in 1984. The project, which started on 29 April 1991, was substantially completed on 21 April 1996, and the premises handed over to the United Nations on 22 April 1996. The inauguration ceremony was held on 30 April 1998 and payments relating to the construction contract have been finalized and processed.

3. The Advisory Committee notes from paragraph 20 of the report (A/53/347) that it is anticipated that all remaining accounts, particularly those relating to the new telecommunications system, will be finalized within the 1998–1999 biennium . However, the closure of the accounts will be contingent on the outcome of the potential claim from the contractor for the telephone system. The contractor has experienced various difficulties in reaching the envisaged completion date, as explained in paragraphs 7 to 14 of the report. The Committee notes that no additional resources are requested by the Secretary-General for the project in Addis Ababa.

4. In paragraphs 10 to 13 of the same report, it is indicated that installation of the PABX and cable network was completed by 31 August 1997 and the telecommunications system offered to the United Nations for acceptance testing but that, during acceptance testing,

98-34056 (E) 061198

deficiencies were identified that should have been corrected by the contractor by 30 November 1997. The contractor has not been able to correct all the deficiencies identified during the testing because the telecommunications authorities of the host Government have not given permission to clear shipped items from customs. The telecommunications system contract allows for a warranty period of one year, effective 24 February 1998. The Committee notes that "it is expected that, as a result of ongoing discussions and negotiations with the host Government, the customs problem referred to in paragraph 11 will be resolved within the one-year warranty period, thereby allowing the contractor to obtain the materials to correct the remaining deficiencies" (A/53/347, para. 14).

5. The Advisory Committee expresses serious concern about the effect that any non-compliance with the provisions of the agreement between the host Government and the United Nations may have on the total cost of the telecommunications system project. The Committee recommends that the Secretary-General take urgent measures to find a resolution to the dispute and report the result of the negotiation to the General Assembly before the end of 1998.